REMARKS/ARGUMENTS

This Amendment is in response to the Office Action dated January 25, 2005. Claims 9-22 are pending. Claims 9-22 are rejected. Claims 9, 15, and 16 have been amended. No claims have been canceled or added. Accordingly, claims 9-22 remain pending in the present application.

Claims 9-10, 14, and 17

Claims 9-10, 14, and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kapp et al. (5,949,348) in view of Suzuki (4,742,351). The Examiner states:

> ...Kapp et al. did not explicit disclose wherein the inputted identification verification data is not shared with another device.
>
> In the same field of endeavor of transaction system, Suzuki discloses the inputted identification verification data is not shared with another device (col. 4 lines 1-32). The inputted identification data is from card (11) and when is inserted in the transaction device 12 where only the PAN or PAN' (i.e. primary account number) of the card is sent to transaction device 12 and being compared to identify if the card if valid...

Applicant agrees with the Examiner that Kapp et. al. does not explicitly disclose wherein the inputted identification verification data is not shared with another device. The Examiner cites Suzuski as teaching this limitation. Applicant respectfully disagrees as to the claims as amended.

The present invention, as recited in independent claims 9 and 17 provide a transaction device, comprising: an inputting means for receiving an inputted identification verification data directly from a user; a decoder coupled to the inputting means for sensing, decoding, and verifying the inputted identification data, wherein the inputted identification verification data is not shared with another device; and a processor coupled to the decoder, wherein the decoder asserts an activation signal to the processor if the identification verification data is verified, wherein the decoder de-asserts the activation signal when an event occurs. With the present

invention, the identification verification data inputted directly by the user into the transaction device is not shared with another device.

In contrast, Suzuki discloses an IC card terminal 12 with a keyboard. An IC card 11 is inserted into the IC card terminal 12. A user enters a personal identification code (PIN) into the IC card terminal 12 using the keyboard. This PIN is then transmitted to the IC card 11. The IC card 11 compares the PIN from the user with the PIN stored in its own memory. If they match, then a flag is set. However, Suzuki does not disclose that the PIN entered directly by the user is not shared with another device. In Suzuki, the PIN is entered into the IC card terminal 12. The IC card terminal 12 shares this PIN with the IC card 11 by transmitting the PIN to it. The IC card 11 does not transmit its stored PIN to another device. However, the PIN entered by the user is not entered directly into the IC card 11. Thus, unlike the present invention, it is not the PIN that is received directly from the user that is not shared with another device. In fact, the IC card 11 does not receive any PIN directly from the user.

Therefore, Kapp in view of Suzuki does not teach or suggest a transaction device with an inputting means for receiving an inputted identification verification data directly from a user, wherein the inputted identification verification data is not shared with another device, in combination with the other elements, as recited in independent claims 9 and 17.

Claims 11-13 and 18-22

Claims 11 and 19-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kapp in view of Suzuki as applied to claim 9 above and further in view of Grant et al. (6,095,416). Claims 12-13 are rejected under 35 US.C. 103(a) as being unpatentable over Kapp in view of Suzuki as applied to claim 9 above and further in view of Mears (5,539,400). Claim 18 is rejected under 35 U.S.C. 103(a) as being unpatentable over Kapp in view of Suzuki as applied to claim 17 above and further in view of Lessin et al. (4,868,376).

Applicant submits that claims 11-13 and 18-22 are patentable when read in combination with their respective independent claims 9 and 17. Applicant's arguments concerning Kapp in view of Suzuki as applied to claims 9 and 17 above applies here with equal force. Thus, even if Grant, Mears, or Lessin discloses the limitations are argued by the Examiner, each of their combination with Kapp in view of Suzuki still does not teach or suggest a transaction device with an inputting means for receiving an inputted identification verification data directly from a user, wherein the inputted identification verification data is not shared with another device, as recited in the combination of claims 9 and 17 and their respective dependent claims 11-13 and 18-22.

Claims 15-16

Claims 15-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kapp in view of Suzuki, Grant and further in view of Mears.

Applicant's arguments concerning Kapp in view Suzuki as applied to claims 9 and 17 apply here with equal force. For the sake of brevity, these arguments will not be repeated here. Therefore, Kapp in view of Suzuki and further in view of Mears does not teach or suggest a transaction device with an inputting means for receiving an inputted identification verification data directly from a user, wherein the inputted identification verification data is not shared with another device, in combination with the other elements, as recited in independent claims 15 and 16.

Therefore, for the above identified reasons, the present invention as recited in independent claims 9, and 15-17 is neither taught nor suggested by the cited references. Applicant further submits that claims 10-14 and 18-22 are also allowable because they depend on the above allowable base claims.

In view of the foregoing, Applicant submits that claims 9-22 are patentable over the cited

references. Applicant, therefore, respectfully requests reconsideration and allowance of the claims as now presented.

Applicants' attorney believes this application in condition for allowance. Should any unresolved issues remain, Examiner is invited to call Applicants' attorney at the telephone number indicated below.

Respectfully submitted,
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